WORKFORCE OBSERVATIONS
FOR SOUTHEAST WISCONSIN COUNTIES
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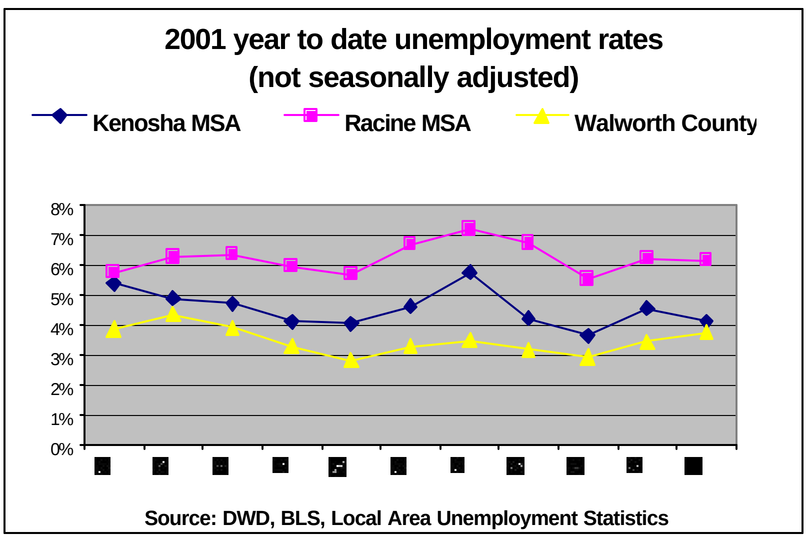
State of Wisconsin
Department of Workforce Development

The "R" Word

It has been officially announced that the U.S. has been in an economic recession since March of 2001 making the last economic expansion, exactly and unprecedented, ten years or 120 months in length. The history of the national economy since World War II shows nine recessions lasting an average of about 11 months each. Does this mean that the country only has three months to go until the employment mending begins? Certainly not. Unemployment and industry job loss still usually linger after broad economic recoveries begin as employers usually keep a "wait and see" approach to mass re-hiring or business expansion. And does this mean that Wisconsin will recover as the rest of the country does? Perhaps Wisconsin will recover sooner as our heavy manufacturing industries' presence, which tends to lead into downturn, are usually the first industries to lead the way to recovery when demand begins to pick up.

Southeast Unemployment Rates in November

The **Kenosha MSA,** not seasonally adjusted unemployment rate registered 4.1 percent, down four-tenths of a percentage point over the month but up 1.4 percent points since last November. **The Racine MSA** shows 6.2 percent (also not seasonally adjusted), which is unchanged over the month, but up 2.6 percent points over last year's near record low November rate of 3.6 percent. **Walworth County's** unemployment rate for November is 3.8 percent; up three-tenths over the month and up 1.6 percent points compared to November 2000.



Source: DWD, BLS, Local Area Unemployment Statistics

Industry/Labor Force Picture

Southeast Wisconsin WDA counties continue to show higher unemployment rates than have been recorded for most of the Novembers of the last decade and job growth has not been flourishing based upon trends that have been forged over the last several years, especially given the emerging holiday season hiring that is expected…but signs of encouragement, both locally and nationally, have been appearing such as rising consumer confidence, increases in business capital spending and intermittent weekly retail sales figures that have been encouraging.

The **Racine MSA** labor force components showed brighter monthly signs as the unemployment rate remained stable. The labor force grew slightly with 190 more employed and 40 fewer unemployed. A yearly perspective shows the economic slowdown with 870 more employed but 2,560 more unemployed since last November.

Job growth totaled 100 jobs over the month, most of this focused in retail trade and government employment. Manufacturing and construction combined for a loss of 260 jobs, continuing the tide of job loss in the goods producing sectors, though it is not so uncommon for construction employment to wind down a bit in November. Services industry employment remained unchanged over the month.

The over-the-year timeframe paints a picture of slight job growth, 500 jobs net, despite almost 1,400 or 5.7 percent fewer manufacturing jobs. Wholesale trade employment , despite being so closely tied to manufacturing production, remained positive but retail trade is down 260 jobs. Services added the bulk of job growth in Racine County adding close to 1,500 jobs since November 2000.

The **Kenosha MSA** labor force was one the brightest spots in Wisconsin for the month of November. The number of employed grew and the unemployed decreased bringing the unemployment rate (4.1 percent) down to levels just slightly higher than the 3.8 percent rate that November averaged from 1990-2000.

Job growth stood at 340 total jobs, net, over the month adding close to 300 more jobs in manufacturing. This marked the largest total manufacturing increase since February of 2001. The gain was centered in automobile production. Industry losses were felt in service producing sectors such as FIRE and services. Trade industries, as would be expected this time of year, showed monthly growth.

Kenosha's yearly perspective is quite different than the monthly brightness. Job loss is the case-down 270 total jobs, net, since November 2000. Manufacturing has just over 1,000 fewer jobs which represents a 8.3 percent loss. This is mitigated by a gain of 870 services industry jobs. Retail and

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wholesale trade along with FIRE and TCPU combined for a 210 job loss since last year as well. Construction and government are up slightly over the year.

Walworth County has shown the brightest signs throughout the economic slowing in the last year in terms of labor force and lower unemployment rates, at least within the southeast counties. But the number of employed decreased in November, corresponding to an increase in the number of unemployed over the month. Since last month, 1,100 fewer people living in Walworth County are employed for a -2.1 percent difference. It should be noted that Walworth typically experiences a significant decrease in its number of employed between October and November, coupled with a slight increase in the number unemployed . This year is no different but the monthly change is up three-tenths instead of the normal one-tenth increase and the year to year change is significantly higher, up 1.6 percent points.

Walworth's industry scene showed a 840 job drop over the month which was centered, expectedly, in the services sector (-620 jobs) as more of the hospitality sectors slough employment during the off-season. Over the year figures actually look fairly healthy as all of the service-producing sectors, except wholesale trade, are up since November of 2000. Manufacturing employment, as has been the trend, is down almost 400 (-3.8 percent) jobs since 2000. So why is the unemployment rate significantly higher than the same time last year when there has been job growth in Walworth County? Because the industry performances of the surrounding counties, including northern Illinois counties, have quite on impact on Walworth's labor force. Many Walworth residents commute to these counties for work and presumably the manufacturing slowdown, which of course has tied into the slowing of other related industries, has had an effect on the year to year labor force figures.

November 2001	Wisconsin	Kenosha County/MSA	Racine County/MSA	Walworth County	Southeast WDA	City of Kenosha	City of Racine
Civilian Labor Force*	*3,049,807*	*85,556*	*95,146*	*54,158*	*234,860*	*50,584*	*39,633*
Persons Employed	*2,919,478*	*82,023*	*89,261*	*52,114*	*223,398*	*47,962*	*35,676*
Persons Unemployed	*130,329*	*3,533*	*5,885*	*2,044*	*11,462*	*2,622*	*3,957*
Unemployment Rate	*4.3%*	*4.1%*	*6.2%*	*3.8%*	*4.9%*	*5.2%*	*10.0%*
Total jobs of all non-farm industries**	2,854,448	57,299	83,535	42,055	182,889		
Goods Producing Jobs	710,299	14,000	26,567	11,710	52,277		
Service Producing Jobs	2,144,149	43,299	56,968	30,345	130,612		
Construction & Mining	131,044	2,520	4,033	2,219	8,772		
All Manufacturing	579,255	11,480	22,534	9,491	43,505		
Transportation, Communications & Public Utilities	136,042	2,347	2,412	1,535	6,294		
Wholesale Trade	137,317	2,819	3,510	1,547	7,876		
Retail Trade	512,034	11,172	13,764	8,033	32,969		
Finance, Insurance, and Real Estate	152,668	1,533	2,211	1,596	5,340		
Services	783,826	15,975	24,364	9,956	50,295		
All Government	422,262	9,453	10,707	7,678	27,838		
Change from October 2001							
Civilian Labor Force*	*570*	*330*	*160*	*-960*	*-480*	*110*	*80*
Persons Employed	*-11,290*	*670*	*190*	*-1,100*	*-230*	*390*	*80*
Persons Unemployed	*11,860*	*-350*	*-40*	*140*	*-250*	*-280*	*0*
Unemployment Rate	*0.4%*	*-0.4%*	*0.0%*	*0.3%*	*-0.1%*	*-0.6%*	*0.0%*
Total jobs of all non-farm industries**	-5,310	340	100	-840	-400		
Goods Producing Jobs	-11,130	280	-250	-140	-100		
Service Producing Jobs	5,820	50	350	-700	-300		
Construction & Mining	-5,420	-10	-100	-100	-210		
All Manufacturing	-5,710	290	-160	-30	100		
Transportation, Communications & Public Utilities (TCPU)	-1,220	30	-30	0	10		
Wholesale Trade	-560	30	30	10	70		
Retail Trade	8,230	170	230	-50	350		
Finance, Insurance, and Real Estate (FIRE)	130	-10	-10	-80	-100		
Services	-4,410	-160	0	-620	-780		
All Government	3,650	-10	140	40	170		
Change from November 2000							
Civilian Labor Force*	*55,260*	*1,100*	*3,420*	*1,470*	*5,990*	*910*	*2,080*
Persons Employed	*12,330*	*-130*	*870*	*560*	*1,300*	*-30*	*350*
Persons Unemployed	*42,940*	*1,240*	*2,560*	*900*	*4,700*	*940*	*1,730*
Unemployment Rate	*1.4%*	*1.4%*	*2.6%*	*1.6%*	*1.9%*	*1.8%*	*4.1%*
Total jobs of all non-farm industries**	-16,440	-270	500	320	550		
Goods Producing Jobs	-38,640	-1,000	-1,400	-380	-2,780		
Service Producing Jobs	22,200	730	1,900	700	3,330		
Construction & Mining	-3,460	40	-30	-10	-10		
All Manufacturing	-35,180	-1,040	-1,370	-370	-2,780		
Transportation, Communications & Public Utilities (TCPU)	120	-90	40	0	-40		
Wholesale Trade	-1,480	-10	140	-50	80		
Retail Trade	1,520	-80	-260	150	-190		
Finance, Insurance, and Real Estate (FIRE)	3,060	-30	-80	270	160		
Services	12,020	870	1,480	110	2,450		
All Government	6,960	70	570	220	860		

* Labor force figures are **not** seasonally adjusted and are commonly revised. Figures from "place of residence" survey from the Bureau of Labor Statistics' Local Area Unemployment Statistics program.

**Figures based upon "place of employment" survey from the BLS, Non-Farm Wage and Salary estimates

Month and year ago change figures are rounded and may not sum to total

Questions and comments regarding this publication are welcome. Direct to: ***Eric Grosso, State Labor Market Economist***

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